



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

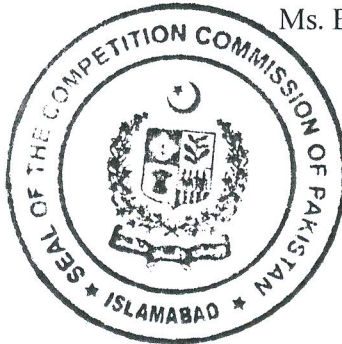
IN THE MATTER OF ACQUISITION OF      % SHARES OF M/S. LUXI GROUP  
CO. LTD BY M/S. CHINA SINOCHEM INVESTMENT (LIAOCHENG) CO. LTD

CASE: 1086/Merger-CCP/20

Commission

Ms. Shaista Bano Gilani  
*Acting Chairperson*

Ms. Bushra Naz Malik  
*Member*



## ORDER

1. On 9<sup>th</sup> March 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/s. China Sinochem Investment (Liaocheng) Co. Ltd ("**Acquirer**" or "**Applicant**") whereby it intends to acquire % shareholding in M/s. Luxi Group Co. Ltd ("**Target**") from State-Owned Assets of Supervision and Administration Commission of Liaocheng ("**Seller**"), pursuant to a Share Transfer Agreement.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended transaction has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For the Acquirer: It is engaged in the business of project investment and investment management.
    - b. For the Target: It is involved in many industrial fields such as coal chemical, fluorine and silicon chemical, new material, fertilizer, R&D, as well as chemical equipment, chemical engineering, new energy equipment, catalyst and finance.
    - c. For the Seller: A special commission of the People's Republic of China, directly under the State Council.
  - ii. The proposed transaction involves the Acquirer proposing to buy % of the ordinary shares of the Target. The transaction consideration is RMB (Approx. PKR as on March 12, 2020).
  - iii. The Target belongs to the relevant product market of "**Chemical Industry**" having a geographic market identified as of "**Pakistan**". Based on the data supplied by the Applicant, in Pakistan there are no product overlaps between the merger parties, therefore Target's share of the market will remain unchanged, post-transaction.
  - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**").
3. In conclusion, the proposed transaction is not likely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.

(Ms. Shaista Bano Gilani)  
*Acting Chairperson*

(Ms. Bushra Naz Malik)  
*Member*

Islamabad the 8<sup>th</sup> MAY, 2020.

